

*Potential Definition  
Revisions for Electric  
Power Entity Greenhouse  
Gas Reporting*

Technical Webinar

June 19, 2012

California Environmental Protection Agency  
 **Air Resources Board**



**Agenda**

- Brief Overview of the 2012 Regulatory Update Process
- Review of the Potential Definition Revisions Related to Section 95111
- ARB Staff Feedback on Comments received on the May 30 Workshop
- Wrap Up and Next Steps

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**2012 Regulatory Update Process  
for the Mandatory Reporting  
Regulation (MRR)**

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**2012 Regulatory Update to the MRR  
Pre-Rulemaking Milestones**

- May 29: Potential Changes to MRR Text posted for all sectors
- May 30: Workshop on General Overview of Proposed Changes to MRR for all sectors
- June 14: Potential Definition Changes posted relevant to Electric Power Entities
- June 19: Technical Webinar for Electric Power Entities on Potential Definition Changes (today)
- June 25: Stakeholder Comments due on Electric Sector issues

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## 2012 Regulatory Update to the MRR Rulemaking Milestones

- June 20 – July 3: Informal Discussion with Stakeholders
- Aug 6: Release ISOR Staff Report for 45-day comment period
- Aug –Sept: Regulatory public review and comment period
- Sept 20-21: Board Hearing

## Potential Definition Revisions Related to Section 95111

## Electricity Importers -- 95102(a)(121)

(121) "Electricity importers" ~~are marketers and retail providers that deliver imported electricity. For electricity that is scheduled with a NERC e-tag to a final point of delivery inside the state of California delivered between balancing authority areas, the electricity importer is identified on the NERC e-Tag as the purchasing-selling entity (PSE) on the last segment of the tag's physical path with the point of receipt located outside the state of California and the point of delivery located inside the state of California. For facilities physically located outside the state of California with the first point of interconnection to a California balancing authority's transmission and distribution system when the electricity is not scheduled on a NERC e-Tag, the importer is the facility operator or scheduling coordinator.~~ Federal and state agencies are subject to the regulatory authority of ARB under this article and include Western Area Power Administration (WAPA), Bonneville Power Administration (BPA), and California Department of Water Resources (DWR).

### Purpose for Potential Changes:

1. Reflect that not all electricity importers are marketers or retail providers.
2. To provide clarity for imports with and without e-tags.
3. Language deleted, "delivered between balancing authority areas," because the use of e-tags is not limited to electricity that flows between BAAs. E-tags may be used for electricity that flows solely within a single BAA.

## Generation Providing Entity (GPE) 95102(a)(182)

(182) "Generation providing entity" or "GPE" means a merchant selling energy from owned, affiliated, or contractually bound generation. ~~For purposes of reporting delivered electricity pursuant to section 95111, a GPE is the PSE, operator, or scheduling coordinator with prevailing rights to claim electricity from a specified source. A facility or generating unit operator, full or partial owner, party to a contract for a fixed percentage of net generation, sole party to a tolling agreement with the owner, or exclusive marketer is recognized by ARB as a generation providing entity that is either the electricity importer or exporter with prevailing rights to claim electricity from the specified source.~~

### Purpose for Potential Changes was to clarify the GPE definition:

1. For clarity, removed extraneous language and reorganized some text.
2. Added "party to a contract for a fixed percentage of net generation" to clarify that EPEs with ownership or contract rights have an obligation to accurately describe these facilities for the purposes of the Feb 1 registration and the June 1 report.

## Power Contract or Written Power Contract 95102(a)(301)

(301) "Power contract" or "written power contract," as used for the purposes of documenting specified versus unspecified sources of imported and exported electricity, means a written document, including associated verbal or electronic records if included as part of the written power contract, arranging for the procurement of electricity. Power contracts may be, but are not limited to, power purchase agreements, enabling agreements, and tariff provisions, without regard to duration, or written agreements to import on behalf of another entity, as long as that other entity also reports to ARB the same imported or exported electricity.

Purpose for Potential Changes:

1. To allow the importer to claim a specified source even though the importer may not have a contract with the source for the entire import amount.
2. Note that this language may be moved out of the definition into to the body of the regulation.

## Unspecified Source of Electricity 95102(a)(399)

(399) "Unspecified source of electricity" or "unspecified source" means a source of electricity that is not a specified source procured and delivered without limitation at the time of transaction to a specific facility's or unit's generation. Unspecified sources contribute to the bulk system power pool and typically are dispatchable, marginal resources that do not serve baseload.

Purpose for these Potential Changes:

1. For clarity, removed extraneous language that did provide for clear implementation.
2. To simplify definition.

## Continuous Transmission Path 95102(a)(399)

"Continuous transmission path" means the full transmission path shown in the physical path table of a single NERC e-tag from the first POR closest to the generation source to the final POD closest to the final sink. This is one criterion to establish direct delivery.

Purpose for Potential Changes:

1. Term used in direct delivery definition but not defined.
2. To clarify that physical path is from the source to the sink
3. Staff is inclined to remove "the first POR closest to" to emphasize that path is from the source to the sink.

## Electric Power Entity (EPE) 95102(a)(\_\_\_)

"Electric Power Entity" or "EPE" means those entities specified in section 95101(d) of this article, including electricity importers and exporters; retail providers, including multi-jurisdictional retail providers; the California Department of Water Resources (DWR); the Western Area Power Administration (WAPA); and the Bonneville Power Administration (BPA).

Purpose for Potential Change:

1. Formally define the term electric power entity per 95101(d).

## First POR and Final POD

### 95102(a)(\_\_\_)

"First point of receipt" means the first defined point on the transmission system closest to the generation source specified on the NERC e-Tag, where defined points have been established through the NERC Registry. Imports and wheels are disaggregated by first point of receipt on the NERC e-Tag.

"Final point of delivery" means final defined point on the transmission system closest to the sink on the e-tag, where defined points have been established through the NERC Registry. Exports are disaggregated by final point of delivery on the e-Tag.

Purpose for Potential Changes:

1. Clearly define these two key disaggregation points as relative to the source and sink for imports and exports, and not relative to where an EPE may have bought or sold the power.

## First POD and Last POD

### 95102(a)(\_\_\_)

"First point of delivery in California" means the first defined point on the transmission system located inside California at which imported electricity and electricity wheeled through California may be measured, consistent with defined points that have been established through the NERC Registry.

"Last point of delivery in California" means the last defined point on the transmission system located inside California at which exported electricity may be measured, consistent with defined points that have been established through the NERC Registry.

Purpose for Potential Changes:

1. To define terms used in the MRR.
2. These are measurement points inside California. Entry point for imports, and exit point for exports.

## ARB Staff Feedback Comments Received On the May 30 Workshop

## RPS Adjustment and Retail Providers

### 95111(b)(5)

$\text{CO}_2\text{e}_{\text{RPS adjust}} = \text{Sum of CO}_2\text{ equivalent mass emissions adjustment is calculated using the following equation for electricity generated by each eligible renewable energy resource located outside the state of California and registered with ARB by the reporting entity pursuant to section 95111(g)(1), but not directly delivered as defined pursuant to section 95102(a). Electricity included in the RPS adjustment must meet the requirements pursuant to section 95852(b)(4) of the cap-and-trade regulation (MT of CO}_2\text{e). The RPS Adjustment may only be claimed by Retail Providers where adjustments are used to comply with California RPS requirements.}$

Purpose for Potential Changes:

1. ARB staff intended to clarify a feature of the RPS Adjustment.
2. However, after further reflection, it may be more appropriate to delete the proposed language, or to delete the phrase, "by Retail Providers."

## RPS 'Reporting Only' Issue REC Retirement, Proposed Language in 95111(b)(5)

The reporting of RPS Adjustments shall include information for Cap and Trade accounting purposes, as well as information for GHG inventory reporting. The status of RECs shall be reported as retired or not retired. RECs not retired are assumed to have been banked for future use.

Purpose for Potential Changes:

1. Intended to clarify that a primary purpose of the MRR is to ensure an accurate GHG inventory.
2. Some stakeholders noted that the scope of REC reporting should be clarified as it relates to this proposed language.

## For More Information

- Revisions to the MRR webpage,  
[http://www.arb.ca.gov/cc/reporting/ghg-rep/revision\\_2012/revision\\_2012.htm](http://www.arb.ca.gov/cc/reporting/ghg-rep/revision_2012/revision_2012.htm)
- GHG Reporting Website  
– <http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep.htm>
- Comments are due on June 25
- Email questions to: [ghgreport@arb.ca.gov](mailto:ghgreport@arb.ca.gov)

## GHG Reporting Contacts

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# Thank You